GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:130
ANSWERED ON:16.11.2007
FAKE CURRENCY
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Will the Minister of FINANCE be pleased to state:

(a) whether the circulation of fake currency is directly affecting the Economy of the country;

(b) if so, the amount of fake currency seized by RBI and other banks in the last one year;

(c) whether the steps taken by the Government to prevent circulation of fake currency in the country is not sufficient;

(d) if so, the reasons therefor; and

(e) the latest strong measures proposed to be taken by the Government to arrest the circulation of fake currencies ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P.K. BANSAL):

(a) & (b): The Reserve Bank of India has informed that the Fake Indian Currency Notes (FICN) detected through banking channels, in comparison to the notes in circulation, is miniscule. Against 33,823 million pieces of currency notes in circulation as on 31st March, 2007, the number of FICN detected through banking channels was only 1,04,743 pieces.

(c) to (e): The steps taken by the Government to curb circulation of Fake Indian Currency Notes in the country include stepping up of vigilance by the Border Security Force and Custom authorities to prevent smuggling of fake notes; dissemination of information on security features through print and electronic media and formation of Forged Note Vigilance Cells in all the Head Offices of the banks. Additional security features have also been incorporated in the bank notes to make counterfeiting very difficult. In addition, Government of India have nominated the Central Bureau of Investigation as the Nodal agency to monitor investigation of faka currency note cases. The RBI has also strsngthSriea the mechanism for detection of counterfeit notes by the Banks.Latest measures taken by RBI are as under:

(i) Process has been initiated to identify bank branches handling more volumes of cash across the country and also in the .vicinity of international borders for installation of Note Sorting Machines,

(ii) Qiasamination of information to the public.

(iii) Stepping up of training in detection of counterfeit notes for banks/other agencies.